the City under said guarantee, or the amount payable by the City to the guarantors, and if the City and the guarantors are unable to resolve such disagreement by negotiation, then the auditors selected by the City and the auditors selected by the guarantors shall jointly select a third auditor, which shall be a firm of independent certified public accountants of recognized standing, and the determination made by such third auditor shall be conclusive upon the parties. To the extent that there shall be any such unresolved disagreement, no payment shall be required to be made to the City; provided that such payment, if determined to be required, shall be made within ten (10) days after resolution of such disagreement as herein provided; further provided that any additional payment determined to be required to be made to such guarantors by the City shall be paid to such guarantors by the City within ten (10) days after resolution of such disagreement as herein provided.

6. Termination of Guarantee. The guarantee provided for in Subsection 2 above, if such guarantee becomes effective, will terminate when for three (3) consecutive years the Phase I Project Net Revenues collected by the City, computed for purposes of this Subsection 6 as if water connection charges had not been included in the definition thereof, shall be sufficient to obviate the need for any payments to the City pursuant to said guarantee.

7. Phase II and Phase III Water Facilities. Upon the annexation of the Territory to the City, the City shall do or cause to be done each and all of the following so as to meet and comply with the requirements of Subsection 7(e) of this Section IV.

(a) For the purpose of providing funds for the acquisition and construction of the water utility facilities described by the general design data set forth in Parts II and III of Exhibit C (hereinafter, respectively, called the "Phase II Water Facilities" and the "Phase III Water Facilities"), forthwith take all steps necessary to authorize and issue, pursuant to an ordinance to be adopted by the City (hereinafter called the "Junior Lien Bond Ordinance"), and use its best efforts to sell its Waterworks and Sewerage Revenue Bonds (hereinafter called the "Junior Lien Bonds") under and pursuant to the provisions of Division 139 of Article 11 of the Illinois Municipal Code (or any appropriate enabling ordinance or ordinances which may have been enacted by the City in substitution for or in addition to said Division 139 in exercise of the City's home rule powers under Section 6 of Article VII of the Constitution of the State of Illinois). The Junior Lien Bond Ordinance shall contain, among

other usual and customary provisions which may be deemed necessary by the City or its counsel, provisions for amortization of the Junior Lien Bonds over a period of not less than thirty (30) years or such shorter period as may be agreed upon by the City and the developers of Region II and provisions which shall incorporate the bond specifications which are to be prepared by Paul D. Speer & Associates, Inc., the City's financial consultants, and approved by the developers of Region II. The Junior Lien Bonds to be so issued and sold shall be in the approximate aggregate principal amount of $3,000,000 or such lesser principal amount as shall be necessary to pay the cost of acquiring and constructing the Phase II and Phase III Water Facilities, including capitalized interest, financial advisory, legal and other related fees and expenses; shall be issued and sold from time to time, as necessary, in blocks of not less than $100,000 principal amount each at the request of Metropolitan Crown; shall be junior and subordinate in every respect to all bonds from time to time issued pursuant to the Bond Ordinance; and shall be payable from and secured by a pledge of the amounts from time to time on deposit to the credit of the Surplus Revenue Account created by Section 8 of the Bond Ordinance.

(b) Design, engineer and complete plans and specifications for the Phase II Water Facilities and, solely at the request of Metropolitan Crown

given at any time during the term hereof, commence and complete the designing, engineering and preparation of plans and specifications for the Phase III Water Facilities;

(c) Acquire or obtain (by condemnation proceedings when and if necessary), subject to the provisions of Subsection 15 of this Section IV, all sites, easements and permits necessary for the construction of the Phase II Water Facilities and, after notice from Metropolitan Crown as provided for in Subsection (b) next above, acquire or obtain (by condemnation proceedings when and if necessary), subject to the provisions of Subsection 15 of this Section IV, all sites, easements and permits necessary for the Phase III Water Facilities;

(d) Publish, take bids, and award bids to and contract with the lowest qualified bidders for the construction of the component parts of the Phase II Water Facilities and, after notice from Metropolitan Crown as provided for in Subsection (b) above, publish, take bids, and award bids to and contract with the lowest qualified bidders for the construction of the component parts of the Phase III Water Facilities; provided, that the awarding of all bids shall be made only with the approval of the developers of Region II, which approval shall not be unreasonably withheld; and, provided further, that if the developers of Region II shall not approve the awarding of the contract for the construction of the Phase II or Phase III Water Facilities, as the case may be, to the

lowest qualified bidder, the City shall have the right to reject all bids, and thereafter the City shall republish for new bids and award bids and contract in accordance with the provisions of this Subsection (d);

(e) Cause construction of the Phase II Water Facilities to be completed within fifteen (15) months after the date of approval by the City and the developers of Region II of layout drawings, the locations of tanks, wells, pumping stations and other necessary components of such Facilities; and, following Metropolitan Crown's request to the City to commence the designing, engineering and completion of plans and specifications for the Phase III Water Facilities, cause construction of the Phase III Water Facilities to be completed within twelve (12) months after the date of approval by the City and the developers of Region II of layout drawings, the locations of tanks, wells, pumping stations and other necessary components of such Facilities; provided, that if there are delays beyond the reasonable control of the City occasioned by delays in the delivery of component parts for such Facilities, or if the developers of Region II shall not approve the awarding of the contract for the Phase II or Phase III Water Facilities, as the case may be, and the City shall thereupon reject all bids, then, in either case, the period for the completion of the Phase II or Phase III Water Facilities, as the case may be, shall be extended for a period equal to the period of any such delays beyond such reasonable control of the City or the period

required to republish, take bids and award bids as provided for in Subsection (d) next above, as the case may be; and

(f) Allow temporary use of the component parts of the Phase II and Phase III Water Facilities as they are completed to provide potable and fire protection water to users in the District on a temporary basis and to service the construction operations of the developers of the District as may be possible during the construction and completion of the Phase II and Phase III Water Facilities; provided, that the City may charge such developers a water rate for the use and consumption of water on such temporary basis in accordance with existing City ordinances.

The terms Phase II Water Facilities and Phase III Water Facilities shall include all water storage and distribution facilities, real property, easements and appurtenances related to such facilities, as described in Parts II and III of Exhibit C.

8. Junior Lien Bond Project Guarantee.

(a) If any component part of the Phase II or Phase III Water Facilities is completed in accordance with this Agreement out of the proceeds of Junior Lien Bonds issued by the City for such purpose, the guarantor or guarantors described in Subsection 10 of this Section IV agree to execute (prior to the City's issuing said Bonds) a written guarantee, which shall be mutually agreeable to the developers of Region II and the City and which shall provide in substance

that: the amount of the Junior Lien Bond Project Net Revenues (as defined below) will not be less than the amount in each calendar year (commencing with the first calendar year in which any principal or interest (except capitalized interest) on such Junior Lien Bonds falls due) equal to one hundred thirty-five percent (135%) of Junior Bond Debt Service (as defined below) for such calendar year on the then outstanding Junior Lien Bonds. "Junior Bond Debt Service" for a calendar year shall mean and include the actual amount of principal and/or interest required to be paid on July 1 of such calendar year on the then outstanding Junior Lien Bonds and the actual amount of principal and/or interest required to be paid on January 1 of the next succeeding calendar year on the then outstanding Junior Lien Bonds. If for any calendar year one hundred thirty-five percent (135%) of Junior Bond Debt Service exceeds the amount of the Junior Lien Bond Project Net Revenues, the amount of such excess is herein referred to as "Guarantee Amount". Notwithstanding the immediately preceding provisions, in no event shall the amount (herein referred to as "Maximum Guarantee Amount") of the obligation of the guarantor(s) under the preceding provisions in any year exceed: the sum of (y) one hundred thirty-five percent (135%) of Junior Bond Debt Service, as defined, for such calendar year, and (z) the amount of the "Guaranteed Fixed Cost" (as hereinafter in Subsection 9 below defined) for such calendar year. If any amount shall become payable under the provisions of this Subsection 8(a), such amount shall be the lesser of the Guarantee Amount or the Maximum Guarantee Amount.

(b) If an amount shall become payable to the City under the provisions of this Subsection 8 or Subsection 11 of this Section IV, such amount shall be paid to the City as provided in Subsection 11 hereof.

(c) Junior Lien Bond Project Net Revenues shall be computed from year to year on a cumulative basis. If in any year the Junior Lien Bond Project Net Revenues shall exceed one hundred thirty-five percent (135%) of Junior Bond Debt Service for such year, such excess shall be included in the computation of Junior Lien Bond Project Net Revenues in the next succeeding year or years until such excess shall have been exhausted; provided however, that if in any year Junior Lien Bond Project Net Revenues for such year shall be less than one hundred ten percent (110%) of Junior Bond Debt Service for such year, such excess shall only be applicable to the difference between one hundred thirty-five percent (135%) and one hundred ten percent (110%) of Junior Bond Debt Service for such year.

9. Definition of Terms. For purposes of the guarantee provided for in Subsection 8 above, and the other provisions of this Subsection 9 of Section IV hereof, the following definitions and provisions shall apply:

(a) "Region II Gross Revenues" shall mean that portion of the entire gross revenues of the City's combined waterworks and sewerage system required to be deposited in the Waterworks and Sewerage Fund of the City created by Section 7 of the Bond Ordinance, which is collected from users of such system located in Region II, including any investment income attributable to such moneys and credited to such Waterworks and Sewerage Fund of the City in accordance with Section 8(f) of the Bond Ordinance.

(b) "Junior Lien Bond Project Net Revenues" shall mean and apply as follows:

(i) the actual amount, in each calendar year, of Region II Gross Revenues less that portion of the amounts deposited to the credit of the Operation and Maintenance Account pursuant to Section 8(a) of the Bond Ordinance, which portion is properly allocable to the actual cost of the operation and maintenance of the Phase II and/or Phase III Water Facilities, as agreed between the City and the developers of Region II;

(ii) if the Regional Shopping Center is open for business on or before January 1,

1977 and the guarantee provided for in Subsection 2 above consequently fails to become effective, or if such guarantee becomes effective and is later satisfied or discharged, there shall also be included in the computation of the Junior Lien Bond Project Net Revenues in each year that such guarantee shall not be in effect, and in the next succeeding year or years until such excess shall have been exhausted, an amount (hereinafter called "Phase I Surplus Project Net Revenues") equal to the excess, if any, of Phase I Project Net Revenues (as defined in Subsection 3 above) over one hundred thirty-five percent (135%) of Phase I Debt Service (as defined in Subsection 2 of this Section IV); provided however, that if in any year Junior Lien Bond Project Net Revenues shall be less than one hundred ten percent (110%) of Junior Bond Debt Service, such excess shall only be applicable to the difference between one hundred thirty-five percent (135%) and one hundred ten percent (110%) of Junior Bond Debt Service for that year; and

(iii) The actual amount, in each calendar year, of any water connection charges, and fifty

percent (50%) of the amount of service charge revenues which are collected from users located in any Small Annexed Territory (as defined in Subsection 14(b) of this Section IV).

(c) "Guaranteed Fixed Cost" shall mean the estimated amount of minimum fixed cost required to operate and maintain the Phase II and Phase III Water Facilities at minimum levels of activity for each calendar year from the proposed date of the issuance of the Junior Lien Bonds until all of such bonds shall mature (which estimated amount(s) shall be agreed upon by the City and the developers of Region II prior to the issuance of the Junior Lien Bonds).

10. Liability of Junior Lien Bond Project Guarantors. A guarantor acceptable to the City shall be liable to the City, or if there shall be more than one guarantor, such guarantors shall be jointly and severally liable to the City for the payment of any amounts payable to the City under the guarantee as provided for in Subsections 8, 9 and 11 of this Section IV.

11. Payments under the Junior Lien Bond Project Guarantee. In each year during which the Junior Lien Bonds shall be outstanding and the guarantee described in Subsection 8 of this Section IV shall be in effect, not more

than sixty (60) days, nor less than forty-five (45) days, prior to July 1 of such year, provided that any interest (other than capitalized interest) on the Junior Lien Bonds shall be payable on said July 1 ("Interest Payment Date"), the City shall deliver to the guarantor described in Subsection 10 of this Section IV a statement prepared and signed by the City Treasurer showing the City's best reasonable estimate of the Junior Lien Bond Project Net Revenues, as defined, for the six-month period ending on the day prior to the Interest Payment Date. To the extent that the projected Junior Lien Bond Project Net Revenues for the six-month period ending on the day prior to the Interest Payment Date, as shown on said statement, shall be less than one hundred percent (100%) of the interest payable on said Interest Payment Date on the Junior Lien Bonds then outstanding, plus fifty percent (50%) of the principal due on the next occurring Principal Payment Date (as defined below), such deficit shall be paid to the City by the guarantor described in Subsection 10 of this Section IV within thirty (30) days after receipt of such statement. Such payments are herein sometimes referred to as "Junior Bond Mid-year Guarantee Payments".

In each year during which the Junior Lien Bonds shall be outstanding and the guarantee described in Subsection 8 of this Section IV shall be in effect, not more than sixty (60) days, nor less than forty-five (45) days, prior to January 1 of the next succeeding year, provided

that any principal or interest (other than capitalized interest) on the Junior Lien Bonds shall be payable on said January 1 ("Principal Payment Date"), the City shall deliver to the guarantor described in Subsection 10 of this Section IV a statement prepared and signed by the City Treasurer showing the City's best reasonable estimate of the Junior Lien Bond Project Net Revenues, as defined, for the twelve-month period ending on the day prior to the Principal Payment Date. To the extent that projected Junior Lien Bond Project Net Revenues for the twelve-month period ending on the day prior to the Principal Payment Date (which Revenues shall include the amount of any Junior Bond Mid-year Guarantee Payment for such year), as shown on said statement, shall be less than one hundred ten percent (110%) of the Junior Bond Debt Service for said twelve-month period on the Junior Lien Bonds then outstanding, such deficit shall be paid to the City by the guarantor described in Subsection 10 of this Section IV within thirty (30) days after receipt of such statement. Such payments are herein sometimes referred to as "Junior Bond Year-End Guarantee Payments".

As promptly as practicable following the close of each calendar year the City will deliver to the guarantor described in Subsection 10 of this Section IV a statement certified by an independent public accounting firm showing the Junior Lien Bond Project Net Revenues, as defined, received by the City in such calendar year (which Revenues shall include the amount of any Junior Bond Mid-year Guarantee Pyaments for such year and the amount of any

Junior Bond Year-End Guarantee Payments for such year), and the amount, if any, payable to the City pursuant to the guarantee provided for in Subsection 8 of this Section IV, or the amount, if any, by which, as a result of Junior Bond Mid-year Guarantee Payments and Junior Bond Year-End Guarantee Payments, Junior Lien Bond Project Net Revenues have exceeded one hundred thirty-five percent (135%) of Junior Bond Debt Service for such calendar year. Such guarantors shall pay the amount, if any, so shown as payable to the City within thirty (30) days following receipt of such certified statement; or the City shall pay the amount, if any, so shown as exceeding one hundred thirty-five percent (135%) of Junior Bond Debt Service for such calendar year to the guarantor described in Subsection 10 of this Section IV at the time of the delivery of such statement by the City to such guarantor. Notwithstanding the foregoing, the guarantor shall have the right to employ a certified public accountant or firm of independent certified public accountants for the purposes of reviewing said certified statement, including the computations supporting such statement, which accountant or accountants shall have the right to examine the books and records of the City in connection with such review. If the guarantor, based upon such review, shall disagree with said certified statement furnished by the City, the amount of any payment due to the City under said guarantee, or the amount payable by the City to the guarantor, and if the City and the guarantor are unable to resolve such disagreement by negotiation, then the auditors selected by the City and the auditors selected by the guarantor shall jointly select a third auditor, which

shall be a firm of independent certified public accountants of recognized standing, and the determination made by such third auditor shall be conclusive upon the parties. To the extent that there shall be any such unresolved disagreement, no payment shall be required to be made to the City; provided that such payment, if determined to be required, shall be made within ten (10) days after resolution of such disagreement as herein provided; further provided that any additional payment determined to be required to be made to such guarantor by the City shall be paid to such guarantor by the City within ten (10) days after resolution of such disagreement as herein provided.

12. Termination of Junior Lien Bond Project Guarantee. The guarantee provided for in Subsections 8, 9 and 11 of this Section IV will terminate when for three (3) consecutive years the Junior Lien Bond Project Net Revenues, computed for purposes of this Subsection 12 as if water connection charges (both from Region II and from Small Annexed Territories) and Phase I Surplus Project Net Revenues had not been included in the definition thereof, shall have been sufficient to obviate the need for any payments to the City pursuant to said guarantee.

13. Credits Against Water Connection Charges. Any payments made to the City pursuant to the guarantee provided for in Subsections 8, 9 and 11 of this Section IV (herein sometimes referred to as "Guarantee Payments") shall be regarded as advance payments of water connection charges otherwise payable to the City, and the developers of Region II shall receive a credit for such advance payments. At

the direction of the developers of Region II, as given from time to time, such payments, together with interest thereon from the date of each such payment at the rate of seven percent (7%) per annum, shall be used to abate any water connection or similar charges which would otherwise have become payable by the developers of Region II in any year following the year in which such payment was made. If, within a period of two (2) years following termination of the guarantee pursuant to Subsection 12 of this Section IV, the developers of Region II shall not have recovered the entire amount of such Guarantee Payments, together with interest thereon as aforesaid, through credits against such water connection charges in the manner contemplated by the foregoing provisions of this Subsection 13, then the City shall, out of any moneys then, or at any time, and from time to time, legally available therefor, refund such unrecovered Guarantee Payments in cash to Metropolitan Crown. If the City shall fail to refund such unrecovered Guarantee Payments as herein provided, the developers of Region II, in addition to all other rights and remedies hereunder, or at law or at equity, shall have the continuing right to use the amount of such unrecovered Guarantee Payments as credits against any water connection charges payable to the City by the developers of Region II.

14. Future Annexations.

(a) After annexation of the Territory to the City, the City, subject to the provisions of

Subsection (b) of this Subsection 14, shall require, as a condition to the annexation of any property which requires the direct use of any component part of Phase I, Phase II or Phase III Water Facilities in order to obtain water service from the existing City water distribution system, from the record owners of such annexed property that said record owners shall assume the obligations of the guarantee provided for in Subsection 2 of this Section IV (if such guarantee becomes effective), and the guarantee provided for in Subsections 8, 9 and 11 of this Section IV, in a proportion which bears a reasonable and equitable relationship to the service to be provided by or through any component part of the Phase I, Phase II or Phase III Water Facilities to such annexed property, provided that if the guarantee provided for in Subsection 2 of this Section IV does not become effective (or is subsequently satisfied or discharged), then obligations so assumed with respect to the guarantee provided for in Subsections 8, 9 and 11 of this Section IV shall be in proportion which bears a reasonable and equitable relationship to the service to be provided by or through the Phase I, II and III Water Facilities. The assumption by such record owners of a proportionate share of the obligations of said guarantee shall not relieve the guarantors referred to in Subsection 4 or Subsection 10 of this Section IV from their obligations thereunder, but said guarantors shall be entitled to credits against the amount of their guarantee obligations in the amounts of any moneys from time to time

actually received by the City from said record owners as payments under said record owners' guarantee obligations, and the amounts of any such payments to the City by such record owners shall not constitute, or become part of, Guarantee Payments for the purposes of Subsection 13 of this Section IV. The developers of the District may waive the obligations of the City under this Subsection 14(a) with respect to any annexation of property by the City.

(b) If property to be annexed which would otherwise be subject to the provisions of Subsection (a) of this Subsection 14 shall be less than forty (40) acres in size (herein sometimes referred to as "Small Annexed Territory"), it shall not be a condition to the annexation of such Small Annexed Territory that the record owners thereof assume any of the guarantee obligations provided for in said Subsection (a); provided, that for purposes of making such determination of size, there shall be included all properties: (i) owned, controlled or held, under common control with others, by such record owners, or, if the record owner of such property shall be a land trust, there shall be included all properties owned, controlled or held, under common control with others, by the beneficiaries thereof, or, if the record owner of such property shall be a nominee, or if the beneficiary of such land trust shall be a nominee, there shall be included all properties owned, controlled or held, under common control

with others, by the principal of such nominee, and (ii) previously annexed to the City, from the date hereof to the date of such annexation by such record owners.

15. Easements and Sites. It shall be a condition of the City's obligations to construct the Phase I, Phase II, and Phase III Water Facilities that:

(a) the developers of the District shall cause to be granted to the City, without cost, all necessary easements which are required for the construction and maintenance of transmission and distribution piping for the Phase I, Phase II and Phase III Water Facilities and which run under, over, across or through any property in the District or any property outside the District which is owned by any of such developers; provided, that the necessity, location and size of such easements shall be subject to the approval of the City and the developers of the District;

(b) the developers of the District shall reserve, dedicate and convey to the City without cost, when and as required for the construction of the Phase I, II, or III Water Facilities, as the case may be, the site of approximately two (2) acres legally described in Part IV of Exhibit C hereof for a well site, pumping station and ground water storage tanks, and a square site of approximately one hundred (100) feet on each side to be located

at the northeast corner of the intersection of 83rd Street and the eastern boundary of Elgin, Joliet & Eastern Railway Company to be used for a water storage tank; and

(c) in addition to the obligations of the developers of the District provided for in Subsection (b) of this Subsection 15, the developers of the District shall cause sites required for wells, water storage and pumping facilities and appurtenances related to such facilities which are to be located on property in the District or on property outside the District which is owned by any such developer to be made available for purchase by the City from the owners of such sites at a cost of $7,500 per acre; provided, that the necessity, location and size of any such sites shall be subject to the approval of the City and the developers of the District.

16. Schedule of Requirements. The developers of each Region of the District shall deliver to the City annually a five-year schedule of the estimated water requirements for such respective Region of the District during its development period and when fully developed in accordance with the provisions of the Plan Description, which schedule shall be based upon the actual development of such Region to the date of delivery of such schedule, and the developers' best reasonable estimate of the projected

development of such Region for the period of such schedule. At all times the City shall reserve for the next occurring three (3) years an adequate supply of water for the properties in each such Region of the District and the occupants thereof in accordance with the latest of such schedule of requirements and shall not annex any new properties to the City nor undertake to supply water to any property not now within the corporate boundaries of the City, the effect of which would be to impair the City's ability to supply water to the properties in each Region of the District and the occupants thereof for such three-year period in accordance with the latest of such schedule of requirements.

17. Water Storage Tank Signs. During the development period of the District, the developers of each Region of the District shall have the right upon their unanimous request to the City, at their own expense and subject to City supervision, to paint or place on any City water storage tank constructed in such Region the name of the District or any development phase thereof; provided such painting or placement is accomplished in an appropriate and tasteful manner; and, provided further, that any such name shall be in addition to and not a replacement of the name Aurora.

18. Revised Connection Charge Schedule. Upon annexation of the Territory to the City, the City shall promptly, without further public hearing, adopt an ordinance amending the City's water connection charge schedule in the

manner set forth in Part V of Exhibit C, and the connection charges provided for therein for meter sizes above two (2) inches which may be installed in Manufacturing Areas of the District shall not be increased within the District during the term of this Agreement by more than five percent (5%) in each five-year period following the date of annexation of the Territory to the City. Subject to the limitation in the next preceding sentence, the City may by ordinance increase the City's water connection charge schedule, provided that any such increase shall be applicable in all other areas of the City. Any revisions to the City's water service user rate schedule deemed necessary by the City's consulting engineers may be effected at any time at the option of the City during the term hereof, provided however, that at no time shall any portion of the District be charged a water service user rate higher than the lowest water service user rate charged in any other part of the City for the same level of water service.

19. Private Fire Protection Systems--Connection Charge. It is hereby agreed and understood that if a private sprinkler and fire protection system shall be installed in any part of the District, no connection or other comparable charge shall be charged by the City for the connection of such private sprinkler and fire protection system, and further, such sprinkler and fire protection system shall not be metered, and no meter charge shall be made for such sprinkler and fire protection system. The City shall have the right to require the installation of detector check valves and flow meters or similar water flow monitoring systems to monitor the flow of water into

or through any private sprinkler and fire protection system installed in any part of the District, if such detector check valves and flow meters or other systems shall, by City ordinance, be required on private sprinkler and fire protection systems in all other areas of the City.

20. Dedication of Water Distribution System. The developers of the District shall dedicate, and the City shall accept the dedication of, all water utility mains, pipes and related appurtenances constructed or installed by such developers in any part of the District which constitute a part of the water transmission and distribution system of the City excluding service lines, provided that all such water utility mains, pipes and related facilities shall comply with all applicable City standards or regulations with respect thereto. From and after the dedication of any such water utility mains, pipes and related facilities excluding service lines, such water utility mains, pipes and related facilities excluding service lines shall be maintained, reconstructed, repaired and replaced by the City, and all costs and expenses of operation, maintenance, repair, reconstruction and replacement of such water utility mains, pipes and related facilities excluding service lines shall be the responsibility of the City.

21. Changes in General Design Data. Any Stage of the Phase I Water Facilities deleted therefrom pursuant to Subsection 1 of this Section IV shall be added to the Phase II Water Facilities. Other changes in the general design data for the Phase I, Phase II or Phase III Water Facilities may be made at any time and from time to time with the approval of the City and the developers of the District.

V.

ROADS AND HIGHWAYS

1. Arterial Roads and Highways for the District--General Provisions.

(a) Description of District Road and Highway Program. Exhibit D, attached hereto and made a part hereof, contains a description of, and the land use plan which is included in Part Three of the Plan Description shows, the arterial road and highway improvement and construction projects presently deemed by the City and the developers of the District as desirable for the full development of the District. The arterial road and highway construction projects described in Exhibit D, taken together (except for the roads and highways described as Complementary Roads and Highways in Subsection (f) of this Sub-section 1), shall hereinafter in this Agreement be called the "District Road and Highway Program." As provided hereinafter in this Section V, from time to time the City shall complete the successive phases of the District Road and Highway Program of Region I and Region II, and the City shall, with respect to all or any part of any such phases, other than Phases III B and IV C of the Region I Road and Highway Program, which are within

or outside the corporate limits of the City, provide for the construction of such phases and for the financing thereof with special assessments, or otherwise as hereinafter provided, and in that connection take, and to the extent permitted by law, cause and enable its officers and the City Board of Local Improvements to take, all steps necessary or desirable to the end that the public and private portions of the cost of such phases will be determined in accordance with the agreements set forth in those provisions of this Section V and those provisions of Exhibit D which state the public and private benefit portions of the net cost (as hereinafter defined) of the roads and highways described therein.

(b) Assistance from other Governmental Authorities. The City and the developers of the District will cooperate with each other and use their best efforts to obtain from the State, County and other governmental authorities financial and other forms of assistance which may be necessary or appropriate in acquiring properties and rights-of-way for and in completing the construction of the District Road and Highway Program. Without limiting the generality of the foregoing, and subject to the later provisions of this Section V, and particularly, without limitation, the provisions of Subsection 1(f) of this

Section V, the City will cooperate with other governmental authorities to provide special assessment or other financing of the District Road and Highway Program, both within and without the corporate limits of the City.

(c) General Provisions with Respect to Future Annexations. Subject to the limitations and provisions set forth in this Section V, and particularly in Subsection 4 of this Section V, it is agreed that, in connection with future annexations to the City of property which has benefited or will benefit from one or more phases or part of any phase of the District Road and Highway Program, the City shall obtain, unless the developers of Region I as to the Region I roads (as hereinafter defined) or the developers of Region II as to the Region II roads (as hereinafter defined) otherwise agree, as an annexation condition assumed by the record owners of the property to be annexed, and as an undertaking in the annexation agreements providing for such annexations, an agreement by such record owners covering the following:

(i) that such record owners of such annexed property, in proportion to and to the extent of the private benefit that has accrued or will accrue to such annexed property from the completion of any phase or part of a phase of the

District Road and Highway Program (determined in accordance with the provisions of this Agreement), will assume, be subject to, and agree to perform and pay each of the agreements and undertakings of the developers and other record owners of property set forth in Subsections 2, 3 and 4 of this Section V with respect to said phase or part of a phase of the District Road and Highway Program, with a resulting proportionate reduction in such agreements and undertakings of the developers and other record owners, in proportion to their respective obligations thereunder, and

(ii) without limiting the generality of clause (i) next above, such record owners of the annexed property, in proportion to and to the extent of the private benefit that has accrued or will accrue to such annexed property from the completion of all or any part of any phase of the District Road and Highway Program (determined in accordance with the provisions of this Agreement), will:

(y) consent to future special assessments against such annexed property with respect to any such phase or part which may be financed by special assessments under the provisions of this Section V or otherwise,

such special assessments to be determined, assessed and spread against such annexed property to the extent of and in proportion to the private benefit that has accrued or will accrue thereto, which private benefit shall be determined on the same basis and in accordance with the agreements and provisions hereinafter in this Section V and in Exhibit D set forth with respect to such phase or part, and

(z) make a payment to the City for and to the extent of the private benefit that has accrued or will accrue to such annexed property from the completion of any phase or part of such phase of the District Road and Highway Program (determined in accordance with the provisions of this Agreement), which payment shall be determined on the same basis as and in accordance with the agreements and provisions hereinafter in this Section V and in Exhibit D set forth, and which payment shall be used by the City; first, to reimburse the developers and other record owners within and outside the District for special assessment or other payments theretofore paid by them with respect to

such phase or part (such reimbursement to be on a basis proportionate to the respective amounts of said payments made by the developers and such other record owners with respect to such phase or part), and second (if any balance remains), to reduce future payments of assessments or other payments required to be made with respect to such phase or part by the developers and such other record owners of property inside or outside the District (such reduction likewise to be on a basis proportionate to the respective amounts of said future payments required to be made by the developers and such other record owners with respect to such phase or part of a phase). All payments made hereunder to the developers of Region I and other owners of record of property in Region I shall be made by the City to Urban, which shall receive such payments on behalf of the developers of Region I and other record owners of property in Region I. All payments to be made hereunder to the developers of Region II and other record owners of property in Region II shall be made by the City to Metropolitan Crown, which shall receive such payments on behalf of the developers of Region II and other record owners of property in Region II, and

(iii) that such record owners of such annexed property will dedicate to the City, Township, County, State or other governmental authority, as may in each case be appropriate, without cost to the City, all properties and rights-of-way which are necessary to complete the District Road and Highway Program.

(d) Properties and Rights-of-Way from Developers. The developers of the District will dedicate to the City, Township, County, State or other governmental authority, as may in each case be appropriate, without cost to the City, all properties and rights-of-way (i) which are located in the District or which are located outside the District and which are now owned by such developers; and (ii) which are necessary to complete and are a part of the District Road and Highway Program, provided, that with respect to Phases II B and II C of the Region I Road and Highway Program (hereinafter called the "Phase II B and II C Programs"), the value of the land dedicated to the City by the developers of Region I for the Phase II B and II C Programs (computed at a price of $10,000 per full acre and a proportional amount for fractions of acres) shall be included in the calculation of the net cost (as "net cost" is hereinafter defined) of the Phase II B and II C Programs and shall be credited against such developers' share of the private benefit portion of the net cost of the Phase II B and II C Programs.